

3-4011.

Francis Kettaneh

745 FIFTH AVENUE
NEW YORK 22, N. Y.
ELDORADO 5-6163

November 3, 1952

Mr. Allen W. Dulles
1308 29th Street N. W.
Georgetown,
Washington, D. C.

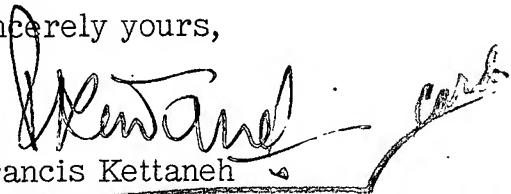
Dear Mr. Dulles:

As promised, I am sending herewith copy of my paper about Palestine; also copies of various projects for the Middle East I have been working on, and which we discussed recently.

Declined |
I am planning a small dinner for the Syrian Foreign Minister, Dr. Rifai on either Tuesday, the 11th or Thursday, the 13th. I am wondering whether Mrs. Dulles and you could give us the pleasure of attending this dinner. I will of course let you know, as soon as the Foreign Minister decides which of those two days he prefers.

With kindest regards and best wishes to both of you, from both of us, and looking forward to the pleasure of seeing you in the near future, believe me.

Sincerely yours,



Francis Kettaneh

FK:mp
Enclosures

November, 1949.

A PROPOSED SOLUTION OF THE
PALESTINIAN REFUGEE PROBLEM

Events have proved the validity of my contention that the Arab States cannot be persuaded, at the present juncture, to sign a peace treaty with Israel, especially if the approach to this problem is predicated on a packaged unit concept. An Eastern proverb says that "one can climb a ladder one step after the other". Therefore, the first and most urgent step is to try and solve the problem of settling the Palestinian refugees. An equitable solution of the refugee problem will clear away feelings of hatred and frustration, and will create a climate more propitious for subsequent peace talks.

As pointed out in our discussions, I do not believe that any responsible Arab Statesman really wants to see his Palestinian fellow Arabs go back to Israel to become not only political hostages of the Israeli State, but also hewers of wood and carriers of water, as described in the Bible. Of course, there is an outcry for the repatriation of every Palestinian Arab who wants to go back, and this outcry is due to various reasons, some of which I would like to mention herebelow:

- a. The Arab States believe that so long as they maintain this requirement, they are legally protecting their stand on some of the judicial aspects of the Palestinian problem.
- b. Some Arab statesmen believe (wrongfully so) that such repatriated Arab elements may form a useful fifth column in Israel.
- c. The outcry for repatriation is partly tied up with emotional muddled thinking on the part of some of the leaders.
- d. The main reason, however, why these refugees would like to get back is because they have left behind their houses, property, gardens and fields, and they feel that by going back they might be able to recover something of what they owned before political events exiled them from their homeland.

It is this point which is important and which at the same time might prove the clue to a workable solution to the problem as follows:

I have personally talked to many of these refugees, some of whom are close relatives, others friends who have talked very openly with me on this subject.

They feel that they are offered Hobson's choice. If the Israeli Government were to come to terms with the Arab States and pay these States a lump sum for the confiscated property of the refugees, these refugees feel that they would hardly get anything worth talking about from the Arab Governments. On the other hand, and should they be left to the tender mercies of the Israeli Government, with whom they are to discuss the value of their property and the amount of compensation therefor, they might very likely get either nothing or so little that it would be hardly worth the time and the effort. That is the main reason for their insistence on going back, they feel that if they could regain possession of their property, they would have secured something tangible.

I therefore feel reasonably sure that if the United States, which has taken the leadership and which is morally responsible for what has happened in Palestine so far, wanted to take the leadership again, they could solve the problem equitably along the following lines:

A Commission could be formed composed of one member from the United States, one from England who has had previous administrative experience in Palestine, one representative for the Arab refugees, plus one representative from a small neutral country like Turkey or preferably Pakistan. Such a Commission would take the following steps:-

- a. Confirm that under international law private property is sacred and cannot be confiscated or taken away from its rightful owners except against just compensation, or by due process of law.
- b. Proclaim that it would sit as a tribunal or court of assessment to receive all claims for lost or damaged property from all the refugees who would like to file such claims with it, be they Arabs or Jews.
- c. Declare that the value of all such property would be the market values which existed in Palestine prior to partition in 1947; and determine these values, as the claims are presented, such determined values being final and binding on all parties.
- d. Assure any claimant who files his claim within a reasonable time limit that such claim would be investigated and that if he is entitled to compensation such compensation would be forthcoming within a reasonable time limit.
- e. Against the above guarantee, each claimant should be prepared to sign papers giving up his intention of returning to Israel, agreeing to be resettled somewhere else, either in the Arab world or in any other country which would allow immigration.

- f. The committee would offer every refugee, who is the head of a family unit, irrespective of whether he has any claim for property in Palestine or otherwise, a chance of settling on the land either in Northern Syria or Northern Iraq. Any refugee accepting to settle on, and work the land, will be given free of charge a minimum of 3 domains (7 1/2 acres) of land and a house, which he cannot resell for at least 5 or 10 years.
- g. If, as I am convinced, a minimum of 75% of the refugees accept such an arrangement, then the Committee could negotiate with the neighboring Arab Governments for resettlement of these refugees who have accepted to settle outside Palestine. The United States, under the Point Four Program, could find the funds for resettling these refugees in Transjordan, in the Djezireh or Syria, and in the Northern part of Iraq, and for initiating modern irrigation schemes, constructing modern villages and roads to these villages, and furnishing these settlements with tractors, agricultural machinery, schools, hospitals and whatever else may be necessary to start a new useful communal life in these settlements. Such a project can be administered by a special board on which specialists from the U.S. A. the Arab States and the refugees would work together.

The main problem however will be to find funds for compensating the Arab refugees for their lost property; any sum indicated must of necessity be considered as very approximate; however, people who have studied this problem believe that a sum ranging between £ 300,000,000 and £ 400,000,000 (approximately one billion dollars) will be sufficient to compensate the Arab refugees for their property lost or left behind. As the United States has ordered Germany to pay the Jews somewhere between \$600,000,000 and \$800,000,000 to compensate them for property confiscated by Hitler, and as the State of Israel will most probably secure the majority of this sum, in lieu of the dead claimants, part of these funds can be diverted to pay the Arabs for property confiscated by the Jews, which property will then revert to the Israeli Government. Any balance could be raised by the Israeli Government through selling their bonds in the U.S. A. or borrowing from the World Bank.

This Committee, when negotiating with Syria, Iraq, and Transjordan, might ask them to make available a certain amount of agricultural land free of charge to be distributed to the refugees as outlined in paragraph 'f'. Thus even those refugees who have left no property behind in Palestine, and who consequently (having nothing to gain or lose) might conceivably insist on being repatriated, will have an incentive for settling down and becoming good farmers in new surroundings, far away from the contested borders. Against the provision of agricultural land free of charge by the Syrian, Iraqi and Transjordan Governments, this Committee would agree to spend the necessary funds to irrigate these lands, build houses for settlers, and any utilities making settlement possible.

- 4 -

If any of the refugees refuse to accept this settlement and insist on going back to Palestine, their number I believe will be rather limited, and this number might well fall within the 100,000 whom Israel has already accepted to take back.

So long as this problem of the Arab refugees continues to fester and poison relations there can be no hope for a rapprochement between Arabs and Jews. A statesmanly approach would consist in removing these causes for bitterness, hatred and resentment; after which, other steps can be taken, one at a time, to bring real peace to the Near East.

Project for A

United States Military Installation

In Northern Lebanon

The United States could surely use to great advantage a naval base and a modern military airport in northern Lebanon, somewhere around Tripoli. The Lebanese government on the other hand, might be willing, under certain conditions, to grant the United States a 99 year lease for such a project, under certain conditions. It would be redundant to dwell at length here on the advantages to the United States of such an arrangement. The responsibility, which would have to be shouldered by the United States would certainly be far less than the advantages accruing to it from the possession of such a base in such a strategic location, and in a country whose people have a warm friendship and respect for the American people.

Under the terms of the proposed lease, the United States would pay a yearly sum as rental to the Lebanese government and also guarantee the present frontier of Lebanon and would give to the Lebanese government such territorial guarantees as would enable the United States to enjoy the occupancy of the bases without trouble or molestation.

This project could be taken care of under the present Public Law - 75 extending aid to Greece and Turkey by extending this law to comprise bases in Lebanon.

Memo Re:

PROTECTION OF TURKEY'S EASTERN FLANK
IN THE EVENT OF RUSSIAN AGGRESSION

Many thoughtful persons are inclined to fear that Persia either through direct Russian action, or more probably through Tudeh action, might become a Soviet satellite in the not too distant future. The question therefore arises, how to protect the rest of the Middle and Near East. The United States have spent hundreds of millions of dollars equipping, strengthening and preparing Turkey to serve as a bastion against Russian infiltration of the Middle East. However, the Russians could easily, and without encountering any resistance, come down through Azerbaijan, Persian and Iraqi Kurdistan into the Mosul area, and thence into Syria, thus turning the Turkish flank.

Some well informed people hold the belief that the Turks will not fight unless they are attacked, and should they be simply flanked by the Russians, they might not re-act militarily, mainly because their armies are not equipped to conduct a war beyond their borders. The problem therefore resolves itself to: "How can we defend the Middle and Near East in case of Persian defection to Russia". The writer believes that the following plan might, if undertaken without too much loss of time, offset most of the disadvantages which would accrue to the western world in case Persia goes behind the Iron Curtain. The main urgent task would be for the United States government to extend the present military program for Greece and Turkey to include Iraq too.

- 2 -

This would permit us to start training and equipping at least 5 Iraqi divisions to hold the passes of Iraqi Kurdistan at Zindjian and Rowandouz, thus reinforcing and continuing the Turkish flank all the way down to the plains beyond Khaniquin. In time, the Iraqi army can be slowly built up beyond these 5 divisions, and they can certainly give, if properly equipped, a very good account of themselves against any possible Russian invasion through Iraqi Kurdistan where the terrain favors the defenders.

There of course remains the problem of the Iraqi plains along the Tigris and down to the Shatt-el-Arab. It would take large armies to defend flat areas like these; however, it should not be difficult for our side to arm and prepare the Southern Persian tribes to resist on a guerrilla basis any invasion through their mountains towards these flat lands. The Lours would operate from the borders of Persian Kurdistan to join with the Bakhtiaris and the Kashgais, who would prolong the resistance front, down to the Persian Gulf. These tribes have in the past been semi-independent and resentful of central authority in Teheran. Reza Shah disarmed them to a large extent, but they are still pretty restive.

The writer is rather skeptical about any possible cooperation between these tribes and the Persian army, if the latter were to retreat to the mountain bastions: mainly because of atrocities committed by some ~~pay~~ army commanders against the

- 3 -

tribes when disarming them. On the other hand, the present Empress of Iran belongs to the leading family amongst these tribes.

A program undertaken on the above lines promptly and resolutely will at least delay, if not stop, Russian infiltration.

The writer has definite knowledge that His Excellency Fadhel Bey Djamali then Head of the Iraq Mission to the United Nations, and now Minister of Foreign Affairs, was agreeable to going along on a plan along the above lines and overtures to this effect were made to the State Department.

Project for
ECONOMIC DEVELOPMENTS
IN LEBANON AND SYRIA

It is now an accepted fact that the economic progress and well being of a country is based largely on an efficient and cheap system of communication. Another necessity is abundant and cheap power; also water for irrigation. The above three basic requirements are the ones that can be developed and perfected in the Middle East and especially in Lebanon and Syria, which unlike their neighbors do not have a steady income from oil royalties to be used for such projects. The United States, in helping these two countries develop their resources and raise their standard of living, will have done much to protect them from Communist infiltration. Money spent for such purposes will be not only moneys well invested, but will come cheaper than having to equip and station armies in that region to resist Russian military and/or propaganda aggression.

Under the system of communications, we have to study roads and railways only, there being no important navigable rivers in those two countries.

A. ROADS

A pattern of main arterial highways should be the only undertaking under this project. It should be left to the local authorities to link up small communities to the arterial roads forming this pattern.

- 2 -

The pattern would consist of three parallel highways:

Number One: running along the seacoast from Tyre through Sidon, Beyrouth, Tripoli and Lattaquieh and Antioch to Iskanderun (Alexandretta).

Number Two: highway would start in the Bekaa and go through Baalbek, Homs, Hama, to Aleppo, and on to the Turkish border.

Number Three: highway would start at Amman and go through Kuneitra, Damascus, to Palmyra and end at Deir-el-Zor on the Euphrates.

These three parallel highways would be bisected by highways coming up from the Mediterranean Sea and linking all three highways. One would start at Iskanderun and go to Aleppo and Deir-el-Zor; the next from Lattaquieh to Hama to Sukhne. Another from Tripoli through Homs to Palmyra. The Beyrouth, Damascus road could be improved by passing it through a tunnel under the Kenisseh Mountain, thence to Zahle and Damascus. Another road would start at Sidon and finish at Kuneitra. Finally another road could go from Tyre through the Jebel Amel region and wind up in the Hauran and the Djebel Druze.

- 3 -

Such a pattern of modern highways requires more money than the two local governments can comfortably spare in their budgets, but would be of great benefit for their economy and consequently for stability in that part of the world. These governments need not be afraid of these roads being put in for strategic purposes, seeing that modern war techniques have demonstrated that tank and war equipment will move as easily off highways than on highways; moreover, bridges and highways are generally blown up or destroyed by one or the other side when hostilities break out.

B. RAILWAYS

At present, a narrow gauge cog and ratchet railway goes from Beyrouth to Damascus. It would be smart to drill a double tunnel under the Kenisseh Mountain, one for the road and one for the railway, thus permitting the installation of a broad gauge regular railway from Beyrouth to Damascus. This railway would at Ryak connect with the broad gauge railway going to Aleppo, whence it branches out: one section to Ankara and Instanbul (part of the old Simplon Orient Express system) and the other to Mosul, Baghdad and Basrah. From Damascus the broad gauge railway could replace the present narrow gauge Pilgrim Hedjaz Railway through Amman and Ma'an to Medina. The Saudi government has built a railway from Damman to Riadh which could be continued to Mecca branching from

- 4 -

there one section to Jeddah and the other to Medina. This Saudi section is of course being built by the Saudi government. Such a project if successfully put through, will give first class rail connections, all broad gauge, connecting Turkey, the Eastern Mediterranean regions and the Arabian peninsula down to the Persian Gulf, and can be of great benefit not only to those countries, but indirectly to the United States who will have sponsored the final linking.

Hydro-Electric and Irrigation Projects:

Such projects can be of immense value to this region since they combine two much needed elements--power and water. Many such projects have been either fully or partly surveyed. We will mention in passing, the Litani Project, the Chab Project, several projects in northern Syria, (Djezireh) the Banias and Yarmuk Projects and at least one such project on the Orontes River.

There is not much space here to develop this matter at length, but the importance can be readily grasped. In this connection, money spent on hydro-electric schemes could be made on a long term, self-liquidating loan rather than on the basis of a grant.

We believe that from 60 to 120 million dollars would cover the communications part of this report both for roads and railways, but not rolling stock. The latter could be furnished under self-liquidating loans. The irrigation and hydro-electric projects would require a larger sum, but a great part of it would be on the basis of a long term, self-liquidating loan.

Memo Re

FORMATION OF MIDDLE EAST ECONOMIC COUNCIL
(CONSEIL ECONOMIQUE Pour le MOYEN ORIENT)

It is a well established principle by now that the progress and well being, as well as the political influence, of any country are predicated on its economic strength. It is therefore a sine qua non condition for all the Middle Eastern countries, if they really want to play a role and hold their rank in Middle Eastern politics, that they should put their economic house in order. To that end, they must have healthy agricultural production as the corner stone of their prosperity. They must also have a well planned industrial production within the limits of their natural possibilities. Where industrial production is not possible, artisanal production on the village or small community level might be the correct answer. Low trade barriers and free flow of commerce between the various Arab countries is another must: finally, a well balanced trade position is necessary in which imports are more or less counter balanced by visible and invisible exports.

To achieve part or all of the above aims, the authorities of the Middle Eastern states will need complete and up-to-date statistics to guide them and to permit them to chart their future course and policies. Such statistics are in general either non-existent or available in such a sketchy form that they are, for all practical purposes, of very little use. Moreover, some of the Arab states and

- 2 -

mainly the Arab League have been putting too much stress on political matters, sparing hardly any time and only little effort for the economic aspects of their joint policies. Thus the political committee of the Arab League has been meeting regularly and frequently, ever since the League's inception. The Economic Committee, under the Chairmanship of Tewfik Bey Suweidi, has never met and has not accomplished anything.

In view of this lack of balance between the political and economic aspects of higher Arab policy, and to help the Arab states and their peoples to study for themselves at first hand, the economic facts of life, and to help and encourage them to cooperate and plan towards commonly studied economic policies that would benefit all of them, some American friends of the Arabs, and some Arabs now domiciled in the United States, have banded together to help the Arab states help themselves economically with the following project.

The Middle East Economic Council would be formed along the following lines: Each of the 7 Arab states would delegate to this Council two of its leading and trusted economists to become members of this Economic Council. The Chambers of Commerce in each of the 7 Arab states would elect and delegate one representative for each country. Furthermore, the banks, trade associations, and labor unions (where they exist) will elect and delegate one member for each of the 7 states. This would give the Economic Council 23 members (14 + 7 + 7).

- 3 -

Finally the sponsors of this project would appoint two members thus bringing the total membership up to 30.

This Council would have its headquarters and meet in one of the Arab capitals, preferably Beyrouth, which is the most accessible. This Council acting in an advisory capacity to the 7 Arab governments would have amongst other tasks, the following:

1. Help the various governments organize their statistical departments so that reliable up-to-date statistics can be compiled in each nation concerning number of inhabitants, general health, education, agricultural, arboricultural, artisanal and industrial production, mining, means of communications, exports, imports, customs, transit, and entrepot trade, etc., etc.
2. Study possibilities for improving the economic position of each country by initiating, developing and increasing each country's possibilities in the fields of agriculture, arboriculture, afforestation, transit trade, artisanal production, industry, mining, commerce, irrigation, hydro-electric power, etc.
3. Study tariffs, import restrictions and other barriers that hold up or slow down commerce between the 7 states.
4. Study exchange restrictions, currencies, balance of payments and other monetary barriers that slow up or stop trade between the various states.

- 4 -

5. Study and initiate projects for freeing and encouraging trade and exchange of ideas, knowhow and goods primarily between the 7 Arab states and also between them and the rest of the world.

There are of course many other things that can be studied and undertaken by the Economic Council which will all tend to raise the standard of living of the Arab countries and by so doing, increase their wealth, and their political weight in Eastern and world affairs.

The sponsors knew full well that to realize such a project requires the spending of comparatively large sums of money over a number of years; to be really effective, the project must be operated for a minimum of 5 to 6 years, continuously. The sponsors, whose names will be furnished if the project meets with the approval of the majority of the Arab states, are prepared and willing to subscribe and donate the necessary funds for the project over a certain number of years. They feel convinced that having no political or other axes to grind, the Arab powers will accept their proposed project without suspicion or reservations, realizing that these people have only one object in view: to help the Arab states raise the standard of living of their people and further their happiness and well being.

Memo Covering Project for
FORMATION OF MIDDLE EAST ECONOMIC COUNCIL

It is realized by the writer that the attached project will arouse the suspicion and even the hostility of certain elements within the Arab world. If such a project were sponsored by the United States government an outcry would be raised about the American government trying to dictate economic policies to the Middle East. In the case of a benevolent group like the one proposed, the outcry would be that American dollars are trying to dictate an economic policy favorable to American commercial interests.

Anyway, such a project, what with expenses for transportation, rent, salaries, and publicity for the recommendations of the Economic Council, might easily run to a million dollars a year. To be of any use, this must be a long range project and funds must be foreseen to carry it for a minimum of 5 years. I doubt that any private group, however well intentioned, will be able to raise the minimum 5 million dollars required. Therefore, the State Department if it finds this project worthwhile, will have to make the funds available to the group who, in reality, will be acting as trustees for the funds rather than as donors.

Trying to foresee as many difficulties as possible and should the project in its present form meet with too much hostility, it might be advisable to merge this project with the project for the Bank for Developments in the Near East. An advisory group of economists composed of 7 members nominated by the govern-

- 2 -

ments; 7 members by the Chambers of Commerce; and 7 members by other associations, unions, banks, etc., could act in an advisory capacity to the Board of Directors of the said bank. This would permit to modify veto powers for the American member of the Board. This veto power could be replaced by the requirement that projects to be financed by the bank, must be approved by 12 or 14 of the members of this advisory Economic Council. Acting as an adjunct to the bank, such an Economic Council would carry more weight with the respective governments.

Project for the Establishment of a
NEAR EAST BANK FOR THE DEVELOPMENT
of that Area

Before going into the subject I would like to point out that a better title for the bank, would be Near East Development Bank; however, with the American partiality for using initial letters, the project might be labeled NEDB which in Arabic means "dirge"; hence the more complicated title here above.

Right at the start the following objection might be raised against the establishment of a special bank to help finance the development of the Near Eastern area on the basis of advances for long-term, self-liquidating projects. The objection would be that there are in existence the World Bank and the Export/Import Bank which could easily take care of such projects. In practice, however, loans from the World Bank can only be made practically to governments rather than to private enterprise for the following reason:

The bank insists on obtaining a guarantee from the local governments covering repayment of the advance in dollars. Such guarantees, before they can be signed by the governments, have to be voted on by the local parliaments. Politics being what they are, governments are wary of giving such guarantees on behalf of

- 2 -

private enterprise groups, for fear that pressure be brought on the local parliaments and governments to give guarantees not only for worthwhile, self-liquidating projects, but also for others that might not be so good but whose sponsors might be able to muster sufficient political pull.

Object of the Proposed Bank:

There are many worthwhile enterprises in the Near East that could be undertaken and partly financed by local business and investment groups in which American capital could also participate. Normally, however, only a fraction of the necessary capital can be raised locally, and therefore many worthwhile projects remain dormant because of lack of capital to start them properly. Such projects cover irrigation, hydro-electric power, cement factories, and other industries which can benefit the Near Eastern countries. Under the Point Four Program, experts have been made available to study and prepare such projects so as to present them in a fashion readily acceptable to financial institutions, taking out of them at the same time most of the guess work.

Provided the private enterprise group can raise at least one third of the required capital locally and privately, and provided they can satisfy the bank that the project is a good one which will be self-liquidating in a matter of 25 to 50 years, and providing the bank is satisfied that the people undertaking the project have the necessary moral, technical and business qualifications, it can advance to the group the balance of the required capital, on the basis of

- 3 -

first mortgage bonds or some other procedure which would safeguard the interests of the bank.

No government guarantee should be required or asked for. I realize that at some future date, owing to unforeseen circumstances, dollar exchange may become unobtainable to repay interest and the sinking fund; however, such contingency can be insured with the American government under a scheme similar to that functioning in Europe.

MODALITY

Each of the 7 Arab States forming the Near East would be invited to subscribe one million dollars towards the capital of the projected bank. The United States government through the Export/Import Bank or through some other agency would place at the disposal of this bank up to 20 times the amount subscribed by the local Arab governments. Each subscribing government would be entitled to have one director on the Board of the bank with the American director having alone the right to veto any loans that might not be in the interest of the bank or of American security. The manager of the bank should be a European banker with experience in the Near East. This recommendation is made advisedly, because most American bankers do not have the experience and know-how for operating in the Near East that their British or French colleagues have acquired.

- 4 -

CONCLUSION

Such a project would be a great benefit not only for the Near Eastern countries, but also for the American government and especially American business. Manufacturers in this country are having quite a tough struggle to meet European competition on electrical and heavy machinery, steel, chemicals, and many other kinds of merchandise. The creation of such a bank would help channel much needed orders towards manufacturers in the United States; it could favor shipment of such merchandise to the Near East in American bottoms. Worthwhile hydro-electric and irrigation projects alone would increase the efficiency and prosperity of the Near Eastern countries and raise their level of living well above what it is today. This would be the best practical way to fight and defeat communism.

Care, however, must be taken not to squander the resources of this bank on half-baked industrial schemes such as the glass factory and the sugar refinery put up by Syria.

~~SECRET~~

Approved For Release 2003/05/05 : CIA-RDP80R01731R003100050033-1

ROUTING AND RECORD SHEET

INSTRUCTIONS: Officer designations should be used in the "TO" column. Under each comment a line should be drawn across sheet and each comment numbered to correspond with the number in the "TO" column. Each officer should initial (check mark insufficient) before further routing. This Routing and Record Sheet should be returned to Registry.

FROM:				NO.
CNE-2				3-4011
				DATE 12 November 1952

ATOTH R	TO	ROOM NO	DATE		OFFICER'S INITIALS	COMMENTS
			REC'D	FWD'D		
						1 to 7: Kettaneh encloses six papers, the principal one being a suggested method of solving the Palestine refugee problem. The remaining five have to do with economic help to the Middle East, a suggestion that the U. S. establish a naval base and military airport in North Lebanon, and a plan for the protection of Turkey's eastern flank if Iran falls to the Communists. Except for a proposal in this latter for the training and equipping of Southern Persian tribes for guerrilla warfare (this would be done as a parallel development to an extension of the Greece-Turkey military program to include Iraq and the training and equipping of 5 Iraqi divisions) there are no ideas presented which fall primarily in the province of CIA. They are all interesting and thoughtful proposals, but are, I judge, all intended for, and have been sent to, the State Department.
10.	(ER)					Suggest that in reply to Mr. Dulles' request for comment, it would be sufficient to say that NEA has noted the memoranda with interest, and assumes that the originals are already in the hands of State Department, for which Department they seem to be intended. We do not note any suggestions in the memoranda which lend themselves primarily to CIA development.
11.						To DDCI as requested
12.						
13.						
14.						
15.						
12-195-3-1						

STATOTHR

Approved For Release 2003/05/05 : CIA-RDP80R01731R003100050033-1

Approved For Release 2003/05/05 : CIA-RDP80R01731R003100050033-1